

**IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

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**SECURITIES AND EXCHANGE COMMISSION,**

Plaintiff,

vs.

**RONALD J. BAUER,**

Defendant.

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**Civil Action No.  
3:05-CV-0426-H**

**JOINT REPORT ON STATUS OF SETTLEMENT**

The parties hereby submit their Joint Report on Status of Settlement, as required by this Court's Order dated November 14, 2005. The parties report meaningful progress, as Defendant Bauer has (as of January 6, 2006) delivered faxed copies of the signed settlement documents. Counsel for the Commission is now able to recommend the settlement to the Commission. This process will take approximately 30 more days to complete. Assuming Commission approval of the settlement recommendation and consummation of Bauer's initial funding obligation, the parties expect to submit an Agreed Final Judgment by February 15, 2006.

Dated: January 6, 2006.

Respectfully Submitted,

/s/ Toby M. Galloway

Toby M. Galloway

Texas Bar No. 00790733

Attorney for Plaintiff

U.S. Securities and Exchange Commission

Burnett Plaza, Suite 1900

801 Cherry Street, Unit #18

Fort Worth, Texas 76102-6882

(817) 978-6447

(817) 978-4927 (Facsimile)

/s/ David B. Dyer

David B. Dyer

Texas Bar No. 06313500

SECORE & WALLER, L.L.P.

Three Forest Plaza

12221 Merit Drive, Suite 1100

Dallas, Texas 75251

Telephone: 972-776-0200

Fax: 972-776-0240

Marvin Pickholz

New York Bar No. 1504844

AKERMAN SENTERFITT LLP

335 Madison Ave., 26<sup>th</sup> Floor

New York, NY 10017

Telephone: 212-759-2400

Fax: 212-759-7728

COUNSEL FOR DEFENDANT